
In the Matter of Interest Arbitration

Between

CITY OF NORTH LIBERTY ("City")

and

**PUBLIC PROFESSIONAL & MAINTENANCE
EMPLOYEES, LOCAL 2003 ("Union")**

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* PERB CEO#1187; Sector 2
* Police Department Unit
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* **Interest Arbitration Award of:**
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* Lon Moeller, Arbitrator
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Preliminary Statement

This is an interest arbitration proceeding under Iowa Code §20.22 involving the City's Police Department bargaining unit. The City and Union entered into an independent impasse agreement, thereby waiving the statutory March 15th deadline, and which culminated in interest arbitration.

An interest arbitration hearing was held on March 7, 2011 at the Gerdin Conference Room in the City of North Liberty Recreation Center. The parties stipulated at the hearing that the statutory impasse items before the Arbitrator are: (1) seniority; (2) transfer procedures; (3) staff reduction procedures; (4) hours; (5) overtime compensation; (6) leaves of absence; (7) holidays; (8) vacations; (9) insurance; (10) in-service training; (11) shift differential; and (12) wages (See Union Exhibit 1).

Prior to the March 7th interest arbitration hearing, the City filed a petition for declaratory order with PERB concerning whether the Union's proposed Sections 11.01 – **JOB CLASSIFICATION AND PAY GRADES** and 11.03 – **JOB CLASSIFICATIONS** were considered within the wages impasse item (as the City claimed) or the job classifications impasse item (as the Union maintained). PERB issued an order staying the interest arbitration pending its decision on the City's petition.

At the interest arbitration hearing, the parties stipulated that the 15-day time period within which the undersigned was to issue his award would start to run as of the date PERB ruled on the City's petition. Oral arguments were heard by PERB on March 9, 2011. PERB ruled on March 10, 2011 that "proposals 11.01 and 11.03 shall be included by the arbitrator within the impasse item of 'job classifications.'" Per the parties' stipulation, the 15-day period within which the undersigned is to issue his award runs until March 25, 2011.

Appearances

For the City:

Wilford H. Stone, Attorney and Spokesperson
 Gary L. Ray, Chief Negotiator and Spokesperson
 Ryan M. Sawyer, Attorney
 Donald C. Hoskins, Attorney
 Ryan Heiar, City Administrator
 Deb Hilton, Human Resources Coordinator

For the Union:

Joe Rasmussen, Union Business Representative and Spokesperson
 Creighton Regenwether, Police Officer
 Mitch Seymour, Police Officer
 Chuck Tygart, Police Officer

Discussion and Analysis

This interest arbitration centers on the parties' July 1, 2011 – June 30, 2012 collective bargaining agreement. The undersigned is required to select the most reasonable of the parties' final offers on each impasse item using, "in addition to any other relevant factors, the following factors":

- a. *Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.*
- b. *Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the areas and the classifications involved.*
- c. *The interests and welfare of the public, the ability of the public employer finance economic adjustments and the effect of such adjustments on the normal standard of services.*
- d. *The power of the public employer to levy taxes and appropriate funds for the conduct of its operation. Iowa Code §20.22(9).*

On November 24, 2009, PERB issued an order certifying the Union as the exclusive representative for the City's full-time and part-time Police Officers. There are 11 Police Officers in the bargaining unit. The 2011-2012 collective bargaining agreement will be the parties' first agreement. During negotiations the parties reached agreement on three contract provisions – Article I – **RECOGNITION**, Article II – **UNION RIGHTS** and Article III – **GRIEVANCE PROCEDURE**. Prior to the Union's certification, the employment relationship between the City and its Police Department employees was framed by the City's Personnel Policies Manual. This is the City's only group of bargaining unit employees.

Other than Articles I, II and III, the remaining provisions of the parties' first collective bargaining agreement will be established by the Arbitrator based on the parties' final offers on the 13 statutory impasse issues.

The City does not claim an "inability to pay" in this case. Due to the lack of past collective bargaining agreements, and limited bargaining history, the parties have based their arguments on the City's Personnel Policies Manual and on comparisons with other law enforcement agencies.

For its comparables, the Union proposes the police departments in Cedar Rapids, Coralville, Hiawatha Iowa City and Marion, plus the Linn and Johnson County sheriff departments. Its rationale is that these law enforcement agencies are all in the Iowa City-Cedar Rapids corridor area and compete with North Liberty for certified law enforcement officers. Although North Liberty is towards the bottom of the comparables in terms of total population (13,374), the Union emphasizes that the City's population has exploded since its 2000 census figure of 5,367. North Liberty is the second fastest growing city in Iowa. The Union further notes that the North Liberty Police Department is going to 24-7 coverage as a result of North Liberty's rapid growth.

With the exception of Coralville and Hiawatha, the City's comparable group differs from that proposed by the Union. The City points out that its comparable group consists of communities similar to North Liberty in terms of demographic make-up – "college towns" or "bedroom communities" neighboring larger population areas – , location close to either Interstate 80 or Interstate 380, population and police department size. The City's comparables are the following police departments: Boone, Cedar Falls, Coralville, Eldridge, Grinnell, Hiawatha, Marshalltown, Mount Vernon, Newton, Washington and Waverly.

Because of the lack of a long-standing bargaining relationship, there is no established comparable group for the North Liberty Police Department. External comparables should, however, offer a picture of similarly-situated employers who comprise the relevant labor market. North Liberty is apparently the last of the law enforcement agencies in the Iowa City-Cedar Rapids corridor to unionize.

This record shows that the Iowa City-Cedar Rapids corridor is unique compared to other areas in Iowa because of its diverse economic base and population increases. The cities of Boone, Eldridge, Grinnell, Marshalltown and Newton are located too far away from North Liberty to be properly considered part of its labor market for law enforcement officers. The economic circumstances in the Cedar Falls-Waterloo area are sufficiently different than the Iowa City-Cedar Rapids corridor to make Cedar Falls a good comparable for North Liberty. Unlike North Liberty, the cities of Washington and Waverly are not adjacent to a larger municipal neighbor.

Looking at the law enforcement agencies in the Iowa City-Cedar Rapids corridor, the City of Cedar Rapids Police Department and the Linn County Sheriff's Department are larger than North Liberty in terms of number of law enforcement officers and the population areas they serve. They cannot, therefore, be seen as good comparables for North Liberty. On the other

hand, the other three law enforcement agencies in Johnson County – Coralville Police Department, Iowa City Police Department and Johnson County Sheriff's Department – are all in close geographic proximity to North Liberty and comprise a labor market for local law enforcement officers. Like North Liberty which neighbors the Coralville-Iowa City area, Marion, Hiawatha and Mount Vernon are influenced by a larger municipality (Cedar Rapids). Based on this record, the appropriate comparable group for this interest arbitration proceeding is as follows:

Coralville Police Department
 Hiawatha Police Department
 Iowa City Police Department
 Johnson County Sheriff's Department
 Marion Police Department
 Mount Vernon Police Department

The parties' arguments in support of their final offers on the impasse items are analyzed below.

Seniority

The differences between the parties' final offers on the seniority impasse item are as follows:

Section 4.03 – BENEFITS DURING THE PROBATIONARY PERIOD: The Union's proposal provides that probationary employees receive "insurance at all times" while the City's proposal makes probationary employees "eligible for insurance coverage following the expiration of any mandatory waiting periods or satisfaction of other terms or conditions as specified by the insurance carrier."

Section 4.04 – NOTICE TO UNION AND EMPLOYEES/POSTING OF SENIORITY: Under the City's proposal, the Union would receive a seniority list within 30 days of July 1st each year and the list would be posted on the Department's briefing bulletin board. Challenges to the posted seniority list could be grieved within 20 days of the posting. The Union's proposal would include the employees' date of hire and job classification on the seniority list and the list would be posted on the Union bulletin board. It also provides employees objecting to the seniority list 20 calendar days "to resolve the objection and file a grievance if the objection is not resolved."

Section 4.05 – JOB VACANCIES: The Union proposes a procedure for the City to follow when filling permanent vacancies and positions in newly-created job classifications. The City does not propose any such contract language.

Section 4.05 (City); Section 4.08 (Union) – LOSS OF SENIORITY: The City's proposed Section 4.05 language provides for the loss of seniority when an employee "is discharged" and when an employee is absent from work for two

workdays without notice/approval, while the Union's Section 4.08 proposal requires loss of seniority when an employee "is discharged for proper cause," when an employee has been on a layoff that exceeds one year and when the employee has been absent from work for two consecutive days without notice/approval "unless evidence satisfactory to the Employer is presented showing the employee was physically unable to give notice."

Union's Position

The Union argues that three of its comparables (Iowa City, Hiawatha and Johnson County) post seniority lists on union bulletin boards, that Johnson County, Linn County and the City of Cedar Rapids have some type of procedure by which job bids and vacancies are filled and nearly all of its comparables (5 of 6) list discharge for cause/proper cause as a basis for losing seniority. It also points out that Cedar Rapids and Iowa City require three consecutive days without notice for loss of seniority. All employees (probationary or not) working for the North Liberty Police Department, according to the Union, should be eligible for insurance coverage.

City's Position

The City contends that several of its comparables (Coralville, Newton, Waverly, Washington, Eldridge and Mount Vernon) condition insurance coverage on waiting periods or other conditions imposed by the insurance carriers which supports its Section 4.03 language. Simply stated, a carrier's requirements need to be met by employees for insurance purposes. Its proposed Section 4.05 is supported by its comparables whereas the Union's Section 4.08 is a "break through change" as the comparables do not generally mention the loss of seniority if an employee is discharged and only two of its comparables (Coralville and Waverly) specifically mention discharge for cause or just cause.

Analysis

The parties' primary disagreement on this impasse item involves their **BENEFITS DURING PROBATIONARY PERIOD** and **LOSS OF SENIORITY** proposals. The three comparable Johnson County law enforcement agencies – Coralville, Iowa City and Johnson County – all include contract language that provides seniority will be lost if an employee is discharged for just cause. The Union's "proper cause" language in its **LOSS OF SENIORITY** proposal (Section 4.08) is a reasonable addition to the parties' first collective bargaining agreement. The spirit behind the Union's Section 4.03 – **BENEFITS DURING PROBATIONARY PERIOD** is that probationary employees be entitled the same right to health insurance afforded non-probationary officers. This principle is reflected in contract language of all of the comparables used by the Arbitrator. While the City's reference in Section 4.03 to "terms and conditions specified by the insurance company," is supported by three law enforcement agencies in the Arbitrator's comparable group (Coralville, Marion and Mount Vernon) the other three comparables (Iowa City, Johnson County and Hiawatha) do not support the City's proposal.

Taken as a whole, the Union's offer is the most reasonable on the seniority impasse item.

Transfer Procedures

The parties both make contract language proposals concerning transfer procedures – Section 4.06 – **SHIFT TRANSFER AND VACANCY PROCEDURE** (City); **TRANSFER** (Union). Their proposals differ in terms of the timing of the annual voluntary transfer requests period (November vs. December) and the use of seniority in making voluntary and involuntary transfer decisions – the Union proposes that transfer decisions be based on seniority and the City includes seniority as a factor the Police Chief may consider when making transfer decisions and uses seniority as a determining factor “if all factors are determined to be equal by the Chief of Police.”

Union's Position

The Union maintains that its offer allows the City's Police Officers to better account for adjustments in their personal life (e.g., child care arrangements) before making a shift change, creates a fair process based on seniority and that its transfer language is supported by comparisons with Cedar Rapids, Iowa City, Marion, Hiawatha, Linn County and Johnson County.

City's Position

The City maintains that its language which affords the Police Chief the discretion to determine the needs of the Department, qualifications and seniority as factors for voluntary and involuntary transfers, and use seniority as the tie-breaking factor, is necessary because of the small size of the North Liberty Police Department. It also argues that this language is supported by its comparables – Cedar Falls, Marshalltown, Coralville, Newton, Boone, Waverly, Grinnell, Washington, Eldridge and Mount Vernon.

Analysis

The parties' primary disagreement involves the role seniority plays in transfers. The Union sees seniority as the factor whereas the City views seniority as a “tie-breaking” factor if other factors considered by the Police Chief are equal. Transfers at Coralville and Mount Vernon are within the discretion of the police chief. Transfers in Iowa City are based on seniority. The same is true in the Johnson County Sheriff's Department “provided the county sheriff can deny a request for just cause.” Hiawatha apparently uses a seniority shift bidding system. In Marion, seniority is a factor in transfer decisions “if ability, experience, training and grade are equal.”

Seniority is used as a factor in transfer decisions by a majority of the comparables selected by the Arbitrator. These comparables also show – with the exception of Iowa City – that the discretion of the police chief (or sheriff) is an important part of the transfer decision. Since the use of seniority for transfers is the primary area of the parties' dispute on this impasse

item, and the City's language better reflects the comparable practices for transfers, the City's offer is the most reasonable.

Staff Reduction Procedures

The City's proposed language for Section 4.07 – **LAYOFF AND RECALL** provides that layoffs will be based on a review of "[t]he employee's qualifications, performance, education level as it relates to police work and Department needs as determined by the chief" and that "[i]f all factors are equal, seniority will be a tie-breaking factor." The City's Section 4.07 language also states recalls will be made in the order employees were laid off, requires that employees return to work within seven days after receiving recall notice and indicates recall rights expire after one year from notice of layoff. By contrast, the Union's Section 4.07 proposal includes a specific order in which layoffs are to occur, requires that layoffs be based on seniority, prohibits laid off employees from exercising transfer rights, provides that recall will be made in order of reverse seniority on a mutually agreed date and requires that a recalled employee be "placed in the same pay step that he occupied at the time of layoff."

Union's Position

The Union contends that its proposed language of Section 4.07 reasonably recognizes a clear order of layoff which acknowledges the value of retaining senior Police Officers for law enforcement purposes – something it maintains is consistent with comparable layoff and recall contract language.

City's Position

The City argues that the Union's Section 4.07 proposal is a "major concept change" for the City as seniority has not previously been used as a tie-breaking factor. Its comparables – Cedar Falls, Coralville, Boone, Grinnell, Washington and Eldridge – use either the police chief's discretion or include seniority as a factor (subject to employee qualifications) in layoff decisions. Only three of the City's proposed comparables – Marshalltown, Hiawatha and Mount Vernon – rely exclusively on seniority.

Analysis

The comparables differ in the use of seniority for layoff/recall decisions relative to transfer decisions. This is due to the fact that layoff/recall takes someone off of the payroll while the employee whose transfer request is denied still has a job.

Of the comparables selected by the Arbitrator, Mount Vernon, Iowa City, Marion (per the Iowa Chapter 400 procedure), Hiawatha and Johnson County all base layoff/recall decisions on seniority. Only Coralville relies on the police chief's discretion – "to determine whenever it is necessary to relieve officers for layoff." The comparables' practice thus supports the Union's offer. Accordingly, the Union's offer is the most reasonable on the staff reduction procedures impasse item.

Hours

The parties offer different proposals for Section 5.02 – **REGULAR PART-TIME EMPLOYEE** in that the Union adds the sentence “The ‘average’ shall be calculated on the basis of the number of hours worked in the preceding calendar quarter” and the City’s proposal provides that employees working 30 to 39 hours per week have the “same leave benefits” as full-time employees.” For its Section 5.03 – **WORK WEEK** proposal, the City’s language references an eight hour day for 80 hours in a 14-day period, allows management to change the posted work schedule “in order to meet a change in operational requirements” and includes the caveat that the posted schedule “shall not be construed as a guarantee” of work hours or work days. The Union’s proposed Section 5.03 – **WORK WEEK** assumes a 10-hour work shift with specific starting and ending hours, allows for the possibility of 12-hour rotating shifts, requires two-week notice for any change in shift, prohibits management from changing the schedule to avoid overtime and includes a 16-hour maximum of hours worked in a 24 hour period.

The parties’ Section 5.06 – **MEAL PERIODS** proposals reflect the differences in their proposed work week, with the Union’s proposal requiring a 45-minute meal period and the City a 30-minute meal period (for an 8-hour shift) and a 45-minute meal period for a 10 or more hour shift, and differences between the words “shall” (Union) and “may” (City) concerning the Police Officers’ right to have a meal period. The City also includes the statement “Officers will be on-call during the meal period.”

The Union’s final offer includes a Section 5.08 – **REPORTING PAY** proposal; the City does not include a similar proposal. The parties’ **SHIFT TRADE** proposals (Section 5.10 for the Union and Section 5.09 for the City) differ in terms of who approves the shift trade (“Chief of Police or his/her designee” vs. “the person officially responsible for scheduling”) and the Union’s provision that shift trade requests “not be unreasonably denied.”

Union’s Position

The Union points out that North Liberty Police Officers have been working 10-hour shifts with the starting and ending times included in its Section 5.03 proposal. In April, the Department will start experimenting with 12-hour shifts. According to the Union, its Section 5.03 and Section 5.08 proposals reasonably addresses changes in scheduling and its offer on this impasse item, taken as a whole, is in keeping with the comparables.

City’s Position

The City points out that nine of its comparables (Cedar Falls, Marshalltown, Coralville, Boone, Waverly, Grinnell, Hiawatha and Eldridge) do not list work shifts in their collective bargaining agreements. It further argues that the Union’s proposed Section 5.03 “takes the flexibility away to set shifts and coverage and will become a cost item” and its Section 5.10 would implement contract language (denying the Chief from “unreasonably” denying a shift change) that has no support among the City’s comparables. Further, the City only currently employs two part-time Police Officers who fill in on an “add needed basis” and are not regularly scheduled.

Analysis

Of the comparables selected by the Arbitrator, only Mount Vernon includes specific starting and ending times for Police Department work shifts. The Mount Vernon contract language, however, adds that the police chief retains the right to “modify or adjust the shifts and hours as needed as they deem appropriate.” The remainder of the comparables reference their work week as 40 hours per week or 80 hours scheduled over a 14-day period. Work week and work day comparisons show the departments vary in whether they schedule work in 8-hour, 10-hour or 12-hour shifts. None of these comparables include a stated 45 minute meal period in their contract language, most referencing a 30-minute meal period. While several of the comparables (e.g., Mount Vernon, Marion, Hiawatha and Johnson County) allow for shift trades, those trades are subject to the approval of a supervisor or the chief. The Union’s proposed language that shift trades “not be unreasonably denied” is not supported by a review of these comparables’ contracts.

The City’s offer on the hours impasse item is the most reasonable.

Overtime Compensation

The parties have three proposed contract sections under this impasse item – Section 5.04 – **OVERTIME**, Section 5.05 – **COMPENSATORY TIME** and Section 5.08 (City)/Section 5.09 (Union) – **CALL IN PAY AND COURT APPEARANCES**. Their language for Section 5.04 differs in that the City’s language proposes to pay overtime “for each hour worked in excess of the employee’s regularly scheduled work day” and the Union’s language is “for each hour worked in excess of the employee’s normal shift.” For compensatory time, the City’s proposal allows employees “to elect to receive overtime compensation in the form of compensatory time off” while the Union’s proposal provides “[e]mployees may elect to receive overtime compensation in either cash payment or compensatory time off” and gives employees the option “to elect to receive payment on the monthly paycheck for accumulated compensatory time by designating in writing at least fourteen (14) days before the end of the month the number of hours to be paid.” While the City proposes to pay Police Officers “up to two (2) hours for court time at the overtime rate” if they have to appear in court “other than their working hours,” the Union proposes that officers receive “at least two (2) hours of work paid at the overtime rate” for court time outside of their regularly scheduled shift and “[a]ll hours required for a court appearance, which are not scheduled as regular hours of work within the employee’s shift shall be compensated at the overtime rate.”

Union’s Position

The Union contends that comparability is not a key factor for this impasse item because the differences between the parties’ offers are “minimal.” According to the Union, its proposed contract language provides options for employees who elect compensatory time and recognizes the reality that court appearances outside of an officer’s regularly scheduled work day may last more than two hours. The Union further claims that its Section 5.09 is consistent with the Police Department’s current practice.

City's Position

The City emphasizes that the parties agree that North Liberty Police Officers may accumulate and carryover 40 hours of compensatory time. City policy does not currently allow employees to "elect" payment on the banked time with 14 days notice nor is that proposal supported by the City's comparables.

Analysis

The Union's proposed Section 5.04 language is reasonable and offers a clear statement of the basis on which overtime is calculated. Its Section 5.09 proposal is consistent with the comparables selected by the Arbitrator which pay a minimum of two hours for court time outside of an officer's regularly scheduled shift (Mount Vernon, Iowa City, Marion, Hiawatha and Johnson County). The City's Section 5.08 proposal as it relates to court appearances is not supported by the comparables.

Where the parties primarily differ is Section 5.05 - **COMPENSATORY TIME**. The Union's proposal allowing officers to receive payment for their accumulated compensatory by giving 14 days notice "before the end of the month the number of hours [are] to be paid" is an extension of the election both parties afford officers in their **COMPENSATORY TIME** proposals to receive overtime as cash or comp time. No testimony or evidence was offered at the interest arbitration hearing to suggest the Union's proposal would be a burdensome requirement for the Police Department.

On balance, the Union's offer on this impasse item is the most reasonable.

Leaves of Absence

The City and Union have different views in their final offers on the leaves of absence impasse item. Under its Section 6.01 – **IMMEDIATE FAMILY**, the Union proposes that immediate family members used in Article 6 – **LEAVES OF ABSENCE** for sick leave and bereavement leave include "[s]pouse, domestic partner, children (including step-children), parents (including step-parents), brother, sister, grandchildren, grandparents, spouse's parents, spouse's brother and sister, spouse's grandparents." Unlike the City's Section 6.01 – **SICK LEAVE ACCUMULATION**, which allows employees to accrue sick leave at the rate of eight hours per month of continuous employment, the Union's Section 6.02 – **SICK LEAVE ACCUMULATION** provides that employees "accrue sick leave at the rate of ten (10) hours per month of continuous service."

The City's Section 6.02 - **USE OF SICK LEAVE** proposal allows sick leave use of up to 40 hours annually "for medical or dental appointments or the care of ill or injured members of the immediate family (spouse, son, daughter or parent)" and limits use of sick leave to minimum two hour increments, while the Union's Section 6.03 – **USE OF SICK LEAVE** builds off of its expanded definition of "immediate family" and does not include a 40-hour limit or the two-hour minimum increment.

The Union's Section 6.04 – **SICK LEAVE VERIFICATION** addresses the City's right "to require satisfactory proof of illness...for an absence of three (3) work days or more" and its Section 6.06 – **SICK LEAVE CONVERSION** allows employees "who do not use sick leave for a full month shall have five (5) hours added to their accrued vacation account in lieu of adding ten (10) hours for that month to their accrued sick leave account."

The parties additionally differ in their bereavement leave proposals. The Union's Section 6.07 – **BEREAVMENT LEAVE ELIGIBILITY** gives employees the right to take five days for the death of a domestic partner (the City's Section 6.05 language does not) while its Section 6.08 spells out the rules for administering bereavement leave. Lastly, the Union proposes a Section 6.09 – **PALLBEARER LEAVE** that gives employees the right to take one day off with pay to serve as a pall bearer and allows the City the prerogative to "grant time off with pay for employees to attend the funeral of another City employee or former employee."

The Union's Section 6.12 – **UNPAID LEAVE** makes non-probationary employees eligible for unpaid leaves and states that the Police Chief's decision on requests for unpaid leave is not grievable. The City's Section 6.08 – **UNPAID LEAVE** makes the same provision available to non-probationary employees but conditions unpaid leave eligibility on the exhaustion of available paid leave.

Under the Union's Section 6.14 – **DISABILITY/INJURY LEAVE**, employees can supplement workers' compensation benefits with their accumulated sick leave. For personal leave, the City proposes in Section 6.04 – **PERSONAL LEAVE** that regular full-time employees "receive three (3) personal days each fiscal year" and personal leave requests must be made on a "Request for Leave of Absence Form." The Union's Section 6.15 – **PERSONAL LEAVE** provides employees with three personal leave days on July 1st and allows employees to use personal leave with 24 hours advance notice, "except in verifiable emergencies when the employee should notify his supervisor prior to the start of his shift."

The parties differ on their view of Family and Medical Leave ("FMLA"). Under the City's Section 6.10 – **FEDERAL FAMILY AND MEDICAL LEAVE**, employees are entitled to FMLA leave "to the same extent and subject to the same terms and conditions" as provided in the FMLA and its implementing regulations. By contrast, the Union's Section 6.16 – **FEDERAL FAMILY AND MEDICAL LEAVE**, gives employees (instead of the City) the option to substitute accrued paid leave for the unpaid FMLA leave.

Lastly, the Union proposes a Section 6.17 – **UNION LEAVE** which reads in relevant part as follows:

Employees designated as stewards or bargaining unit team members by the Union shall receive a paid leave of absence as Union Leave for the employees' hours of work necessary to attend joint collective bargaining negotiations, mediations, interest arbitrations, or steps of the grievance procedure with the Employer. Paid leave for bargaining team members shall be limited to one employee per shift and no more than two employees per meeting.

Union's Position

The Union argues that its final offer is justified by its comparables as to sick leave accrual rate (Cedar Rapids, Marion, Coralville and Johnson County) and by the City's current policy which requires a physician's statement when an employee has been sick for more than three work days. Its definition of "immediate family" is the same one found in the City's current Bereavement Leave policy. Sick leave conversions (Linn County and Johnson County) or sick leave cash outs (Cedar Rapids, Marion, Coralville, Hiawatha and Johnson County) are common among its comparables. City policy (Bereavement Leave) currently allows five days bereavement leave for the death of a domestic partner and does not limit the amount of sick leave an employee can use to cover his or her medical or dental appointment "or those appointments of the employee's spouse, son, daughter or parent" (Sick Leave Benefits). The Union's offer likewise fills contract gaps by prohibiting grieving of the Police Chief's personal leave decision, allowing the use of sick leave for employees receiving workers' comp payments so that they can receive a full salary, providing for union leave and gives employees the chance to use personal leave for its intended purpose.

City's Position

The City notes that current policy allows employees to accrue sick leave at the rate of one day per month. Its proposal (8 hours per month accrual rate) would be consistent with this City-wide policy. The Union's proposal, by contrast, would allow North Liberty Police Officers to accrue 24 hours of sick leave each year more than any other North Liberty employee. Moreover, four of its comparables (Cedar Falls, Marshalltown, Washington and Hiawatha) provide sick leave accrual rates of eight hours per month.

Next, the City claims that its Section 6.02, which requires sick leave use in minimum increments of two hours, is necessary given that the City does not have a dedicated human resources or payroll department and forcing the City – as would be the case under the Union's proposal – "to keep track of accrued sick leave down to the very last minute" would be unduly burdensome. Likewise, the Union's Section 6.03 proposal which provides for the unlimited use of sick leave for the care of ill or injured immediate family members is a significant economic item and is not supported by the City's comparables, only one of which (Cedar Falls) does not limit the number of sick leave hours an employee can use to care for ill or injured members of their immediate family. Current City policy does not allow for "pallbearer" leave of the type proposed in Union Section 6.09. Only three of the City's comparables (Newton, Boone and Grinnell) offer any kind of pallbearer leave. The Union's Section 6.06 – **SICK LEAVE CONVERSION**, creates a "longevity vacation bank" which is, again, an unwarranted change lacking comparable support (only two of the City's comparables – Cedar Falls and Mount Vernon – allow employees to convert sick leave to other types of paid leave). Current City policy requires employees to exhaust all paid leave before being eligible to take an unpaid leave of absence. Union Leave (Union Section 6.17) is supported only by comparisons with Grinnell and Hiawatha. The Union's overly broad definition of "immediate family" is a "poison pill" that constitutes a major concept change unsupported by evidence of a special need or by comparisons with other police departments. Lastly, the City's FMLA proposal (Section 6.10) is consistent

with the City's current policy which requires employees to substitute available accrued paid time for FMLA leave.

Analysis

The Union's offer on this impasse item includes several detailed proposals that would benefit the City's Police Officers. There is a logic to having a uniform definition of "immediate family" for sick leave and bereavement leave, to have Police Officers accrue sick leave at the rate of 10 hours per month given their 10-hour work day and to providing incentives to employees who don't use all of their accrued sick leave. On the other hand, as the City notes, the Union's definition of "immediate family" (other than for bereavement leave) is more extensive than City policy and its proposed sick leave conversion (Section 6.06), FMLA proposal (Section 6.16) and pallbearer leave (Section 6.09) are "new" benefits/contract language that are not provided under current City policy.

There is limited support for the Union's FMLA proposal (Johnson County Sheriff's Department) and sick leave conversion language (Johnson County Sheriff's Department and Mount Vernon). The comparables selected by the Arbitrator favor a 10-hour per month sick leave accumulation rate compared to an eight hour accumulation rate. These comparables allow employee sick leave use for immediate family members and tend to use a broader definition of "immediate family" than included in the City's sick leave language (spouse, son, daughter and parent). Although the City's current policy does not include a cap on the use of sick leave to care for an employee's spouse, son, daughter or parent, all of the comparables selected by the Arbitrator (Mount Vernon, Iowa City, Marion, Coralville, Hiawatha and Johnson County) limit the amount of sick leave an employee can use to care for a sick or injured family member. This comparable pattern supports the City's proposal.

The lack of consistent comparable support for the new leave provisions/language found in the Union's offer suggests that this would be an area best addressed through negotiations. On balance, therefore, the City's offer on the leaves of absence impasse item is the most reasonable.

Holidays

The City and the Union both propose the same ten holidays for their Article 7 – **HOLIDAYS**. They differ in terms of whether regular part-time employees are eligible for paid holidays (Section 7.01) and whether the holiday premium rate of pay covers "any hours on a holiday calendar date" (the Union's additional language for Section 7.03 – **ELIGIBILITY FOR HOLIDAY PAY**). Unlike the Union, the City makes specific reference to "employees employed under the Investigator classification and all other bargaining unit members assigned to and working a regularly scheduled, Monday thru Friday (8 a.m. – 5 p.m.) workday" in its Section 7.05 – **DAY OF CELEBRATION** language.

Union's Position

The Union maintains that its final offer provides offers clarity for Article 7 – **HOLIDAYS**. Its Section 7.01 proposal gives part-time Police Officers (defined as employees

working 30 to 39 hours per week) pro-rated holiday pay benefits. The Union's Section 7.03 language "addresses what hours of work are paid at the holiday pay premium rate" and "is similar to the current practice that all of the hours on a shift that includes any hours on the calendar date of a holiday are paid at the premium rate."

City's Position

The City claims the Union's Article 7 proposals constitute another "poison pill" that should not be incorporated into the parties' collective bargaining agreement via interest arbitration. It argues that the Union's Section 7.03 – **ELIGIBILITY FOR HOLIDAY PAY** "would result in the City providing holiday pay for more than 24 hours each holiday." Current City policy provides that holiday pay is paid for hours actually worked on the recognized holiday. Almost all of its suggested comparables (9 of 11) pay holiday pay for hours worked during the actual holiday (12:00 A.M. – 12:00 P.M.).

Analysis

Again, the parties' disagreement for this impasse issue centers on the Union's Section 7.03 proposal allowing employees who work "any shift that includes any hours on a holiday calendar date shall be paid the holiday premium rate for the entire shift." The comparables selected by the Arbitrator provide some sort of premium (time and one half pay, or extra hours for a holiday bank or comp time) for hours worked on a recognized holiday. This premium, however, is calculated based on actual hours worked by the law enforcement officer on the holiday. The Union's proposed language which would give North Liberty Police Officers the time and one-half holiday pay premium rate for the entire shift that includes "any hours on a holiday calendar date" exceeds what is generally offered by comparable law enforcement agencies. This is enough to tip the balance of consideration of the parties' offers on the holidays impasse item towards the City's offer. The City's offer is, accordingly, the most reasonable offer.

Vacations

The City and Union have different proposals for Section 8.01 – **ELIGIBILITY FOR VACATION** to the extent that the City's proposal calculates vacation pay based on "the employee's regular straight time rate of pay in effect for the employee's regular job on the working day immediately preceding the employee's vacation period" and the Union's vacation pay calculation is equal to "the employee's regularly scheduled day's pay." Under Section 8.02 – **SCHEDULING OF VACATION** of the Union's offer, non-priority vacation preferences will be awarded on a "first come-first served basis," vacations cannot be scheduled more than one year in advance and priority vacation requests made in November for the following calendar year are granted based on seniority. Also, priority vacation requests per the Union's proposal "cannot be changed once approved, and an employee on priority vacation cannot be forced for involuntary overtime." The City's proposed Section 8.02 requires one week prior notice for vacation requests with decisions "based on a number of factors including business needs and staffing requirements." Vacation time is paid under the City's Section 8.02 at the employee's base rate without consideration of "overtime or special forms of compensation."

Union's Position

The Union argues that its offer is the more reasonable on this impasse item because vacation pay calculation is based "on the amount that an employee would regularly receive for a day of work." Its "priority bidding" period gives the City a head's up when employees will be gone and gives the City the chance to "plan accordingly for coverage." The Union further maintains that priority vacation bidding by seniority and its 'first come-first served' basis for non-priority vacation requests squares with "the norm for use of vacation in area law enforcement agencies while the Employer proposal gives it total control over approving vacation and allowing it to cancel pre-approved vacation and causes employees to forfeit their shift differential and premium pay for using vacation."

City's Position

The City's proposals, it claims, are driven by the needs of the Police Department. Seniority has not been used in the past when scheduling vacation time for North Liberty Police Officers. The City believes its current "first served basis" process, where the Chief considers a number of factors, should be continued. There is, according to the City, no evidence that North Liberty Police Officers have had trouble scheduling or using their vacation time.

Analysis

The parties' dispute on this impasse item continues their disagreement about the use of seniority to make a variety of decisions – e.g., transfer and layoff/recall – and how seniority should relate to granting vacation requests. Here, all of the comparables selected by the Arbitrator rely on seniority to some extent in granting vacation requests. Of this group, only Marion makes reference to factors such as departmental needs – "The choice of vacations and shift assignments shall be seniority consistent with the efficient operation of the police department." Iowa City, Johnson County and Hiawatha have priority vacation bidding periods, with vacations scheduled based on seniority. The Union's Section 8.02 proposal is supported by the comparables and the City's proposed Section 8.02 (which does not account for seniority) is not.

The Union's offer on the vacation impasse item is the most reasonable.

Insurance

The parties have significant differences in their offers on this impasse item:

Section 9.01 – **HEALTH INSURANCE:** Under the City's proposed language, "full-time employees and their dependents" will receive health insurance coverage, insurance carriers can be changed provided coverage is "substantially equivalent" to what the City has in place and "[a]ll terms and conditions of insurance coverage provided including eligibility for coverage, coverage period, and dates of premium payments necessary for such coverage shall be determined by the insurance carrier (company)." The Union's proposed language allows

regular part-time and full-time employees to receive health insurance coverage, provides that employees must work at least 15 days in a month in order “to qualify for the Employer payment of the premium” and states that the City can change carriers provided “[c]overage levels substantially comparable to those in effect on July 1, 2010 shall be maintained, and shall include the following basic benefits [Listed single and family plan deductibles, co-insurance, out-of-pocket maximums, office visit and ER co-pay and prescription drug coverage – deductible and co-pays].

Section 9.03 – DENTAL INSURANCE: Under the Union’s proposal, regular part-time and full-time employees receive dental insurance, no deductible/100% preventive care, limits on orthodontic services, basic services paid at 80% and major services at 50% and a \$25 (single)/\$75 (family) deductible for other services. Both provide the City with the “exclusive right to select the carrier,” though the Union’s proposal includes the caveat “without reduction or change in benefits.” The City’s proposed language includes a “substantially equivalent” standard for changes in carriers/coverage and states “[c]overage provisions and co-pays shall be according to the provider plan.”

Section 9.04 – VISION CARE: The City’s proposed language affords management “the exclusive right to select the carrier and coverage for such insurance” and provides “[c]overage provisions and co-pays shall be according to the provider plan.” Under the Union’s proposed language, regular part-time and full-time employees are eligible to receive vision care and “[c]overage provisions and co-pays shall be according to the VSP preferred provider plan.”

Section 9.05 – LONG TERM DISABILITY INSURANCE: The Union’s proposed language provides regular part-time and full-time employees “with long term disability insurance which provides benefits of up to sixty (60)% of monthly earnings.” Under the City’s proposed language, employees contribute 15% of the premium cost and “[a]ll terms and conditions of insurance coverage provided including eligibility for coverage, coverage period, and dates of premium payments necessary for such coverage shall be determined by the insurance carrier (company).”

Union’s Position

The Union argues that four of its proposed comparables (Cedar Rapids, Iowa City, Linn County and Johnson County) provide insurance coverage to part-time law enforcement officers. It maintains that comparable insurance provisions address various issues (e.g., coverage, co-pays, etc.) that are negotiated and identify specific plans and benefits – unlike the City’s offer. While not all local law enforcement departments offer LTD, the Johnson County and Linn County Sheriff’s Departments pay for the full premium cost. The Union additionally points out that the parties’ current health insurance coverage is “inferior compared to other area employers” and that North Liberty Police Officers have agreed to contribute 15% of the premium cost for single and family health and dental insurance.

City's Position

The City describes its insurance program as a “Cadillac plan” and emphasizes that the cost of this program must be viewed in connection with the other economically-related impasse items. It reimburses employees for up to \$2,000 per year per person for deductibles, co-pay, and prescription drug deductibles and co-pay. Its comparables demonstrate that changes in insurance plans or carriers are generally within management’s discretion. Comparisons with other police departments show that other than North Liberty no City comparable contributes towards the cost of dental and vision premiums.

Analysis

The parties’ primary disagreement involves the degree of specificity in their insurance proposals in terms of identification of the City’s specific health/dental insurance plans, the associated co-pays, deductibles, out-of-pocket maximums, etc. The Union’s proposal lays out in great detail the specific deductible and co-pay amounts for both single and family plan participants in effect as of July 1, 2010. Its proposal reflects the current insurance program. By contrast, the City’s proposal simply states that the City “shall provide full-time employees and their dependents with health insurance coverage” without specific reference to plan benefits, deductibles, out-of-pocket maximums or co-pay amounts. Under the City’s proposal, “[a]ll terms and conditions of insurance coverage including eligibility for coverage, coverage period, and dates of premium payments necessary for such coverage shall be determined by the insurance carrier (company).”

The parties also differ on the limits on management’s right to change insurance carriers. The Union’s Section 9.01 – **HEALTH INSURANCE** proposal acknowledges the City’s right to change insurance carriers provided it give notice of the same to the Union and provided “[c]overage levels substantially comparable to those in effect on July 1, 2010 shall be maintained, and shall include the following basic benefits [the listed deductibles, out-of-pocket maximums, co-pays, etc.]” By contrast, the City’s Section 9.01 proposal states that “[s]hould the Employer determine to change carriers, the coverage should be substantially equivalent and the employees and the Union shall be notified in advance of the effective date of the change.”

Looking at the comparables, Iowa City (Coverage of Iowa 500 health insurance plan and Delta Dental plan including deductibles, co-pays and out-of-pocket maximums attached as appendix to CBA) and Johnson County (Wellmark Blue Cross/Blue Shield Alliance Select) make specific reference in their contracts to the health and dental insurance plans they have in place, including deductibles, co-insurance and out-of-pocket maximums. Marion references its Alliance Select plan and lists applicable deductibles, co-insurance and out-of-pocket maximum amounts. Coralville references the single/family deductible amounts and out-of-pocket maximums for its health insurance coverage. Mount Vernon’s insurance language refers to “Alliance Select Blue Cross Blue Shield medical insurance plan and Delta Dental.” Hiawatha makes a general contract reference to its negotiated obligation to provide bargaining unit employees with health insurance coverage (“The city will offer full time employees who are eligible, single and dependent health insurance coverage.”).

Other than Coralville (“The City shall have the right at any time to procure the insurance referred to in this Article from any reputable insurance company”) and Hiawatha (no specific contract language), the remaining comparables include contract provisions limiting the employer’s right to change insurance coverage, making specific reference to benefits or policies in effect – Mount Vernon (“The City will not reduce any benefit or coverage of group health and life insurance without prior negotiation with the bargaining representative”), Iowa City (Employer obligated to maintain “the medical insurance policy now in existence or its equivalent”), Marion (“The City shall not reduce any part of the benefits or coverage on any of the employee’s group health and life insurance, including the family plan, without prior negotiations with the Association.”) and Johnson County (“All employees who select the county health care benefit plan shall be enrolled in a policy equal to that in effect on January 1, 2003...”).

Although as the Union notes, not all of the comparable law enforcement agencies have specific LTD provisions in their collective bargaining agreements, Mount Vernon, Hiawatha and Johnson County provide LTD benefits to their police officers. Only Hiawatha (\$15 per month) requires employee contribution for LTD. North Liberty Police Officers apparently contribute 15% of the cost for LTD. Of the comparables that make specific reference to LTD, two of three pay for the full cost for their police officers.

The majority of the comparables selected by the Arbitrator support the Union’s proposal as to the specific reference of deductibles, co-pay and out-of-pocket maximum amounts in the insurance article. The comparables also support a more rigorous standard than that proposed by the City when management decides to change the insurance plan or carrier. On the insurance impasse item, the Union’s offer is the most reasonable.

In-Service Training

The Union’s offer on this impasse item, Section 10.01 – **SCHEDULING AND PAY**, reads as follows:

For the purpose of education and increasing the professionalism of the department, the Chief may schedule and conduct inservice training seminars during the fiscal year. Training sessions may be run in conjunction with shift meetings or at such other times the Chief may determine such training necessary. The Employer shall reimburse the employees required to attend inservice training for their time in attendance at any such session, providing they are not on duty at the time of the required training session. Employees shall be reimbursed at their regular rate of pay or with overtime, if applicable, and will be eligible for reimbursement of all pre-approved training costs and expenses.

The City’s Section 10.01 is identical with the exception of the last sentence which reads:

Employees shall be reimbursed at their regular rate of pay or with overtime, if applicable, and will be eligible for reimbursement of approved training costs and expenses consistent with City policy.

Union's Position

The Union points out that “the only difference between the parties is how training costs and expenses are reimbursed.” Under its offer, preapproved training costs and expenses are eligible for reimbursement.

City's Position

The City's proposal provides that reimbursement of approved training and expenses for in-service training will be made in accordance with City policy.

Analysis

Both parties recognize the Police Chief's discretion in scheduling and conducting in-service training. The reference to “pre-approved” training costs and expenses puts the ball in the Chief's court as to what expenses associated with the in-service training will be approved. Similar language is found in the Mount Vernon contract for tuition reimbursement. The phrase “consistent with City policy” is vague, particularly given that the language of the Educational/Certification Reimbursement Policy of the City's Personnel Policies Manual which is intended to cover all North Liberty employees, not just its Police Officers. The Union's offer on this impasse item is the most reasonable.

Job Classifications

The Union's offer on the job classifications impasse item includes the following two sections for Article 11:

Section 11.01 – JOB CLASSIFICATIONS AND PAY GRADES

For the purpose of the administration of the Agreement, the employees within the Bargaining Unit shall be divided into the following job classifications which shall be assigned to the designated wage rates in Exhibit A:

Job Classifications

Police Officer

Investigator

Section 11.03 – JOB CLASSIFICATIONS

The job classifications and job titles in effect on the first effective date of this Agreement shall not be changed during the effective period of the Agreement, unless the Employer notifies the Union with a request to meet and bargain a change in job classifications or job titles. The Union shall not refuse to meet with the Employer on this subject. If no agreement is reached between the parties, the dispute shall be submitted to an independent arbitrator for resolution. Disputes as

to the inclusion of a position within the bargaining unit shall be submitted to the Public Employment Relations Board for resolution.

Union's Position

The Union claims that its offer on this impasse item is necessary to give meaning to contract language in the parties' proposals on transfers (Section 4.06) and its proposed seniority posting language (Section 4.04) and layoff/recall language (Section 4.04). It further maintains that its proposed Section 11.01 recognizes the two current job classifications in the Police Department (Police Officer and Investigator) and will provide a process for the parties to add future job classifications.

City's Position

The City did not propose specific contract language under this impasse item, leaving the creation of job classifications within the Chief's discretion. It does argue, however, that all of its proposed comparables "give management the discretion to classify jobs and job titles." The City adds that "[n]one of the comparable cities contain any language proposed by the Union in its Article 11.03."

Analysis

The City includes Police Officer 1 and 2 and Investigator job classifications on its proposed wage schedule. The Union's Section 11.03 creates a process in the event job classification/job title changes become necessary during the contract year. Under the Johnson County Sheriff's agreement, the union is afforded "notice and opportunity to bargain the wage rate and other relevant contract terms" when a new job classification is created. Similar language is found in the Marion agreement (Notification to union "in the event any new classification is established" and "the Employer and Association shall meet to bargain the wage rate for the new classification.")). The City acknowledged at the interest arbitration hearing that wage rates for newly-created job classifications must be negotiated.

There is limited comparable support to include a job classification provision in the parties' 2011-2012 collective bargaining agreement. The parties agree on two job classifications for this bargaining unit – Police Officer and Investigator. None of the comparables selected by the Arbitrator require, as would be the case under the Union's offer, that the decision to change job classifications and job titles be negotiated. The comparables do not, therefore, support the Union's offer on this impasse item. The City's offer – to not include a job classification provision in the 2011-2012 agreement – is the most reasonable.

Shift Differential

The City's offer on the shift differential impasse item is as follows:

Section 11.02 – **SHIFT DIFFERENTIAL PAY**

Employees shall receive the following shift differentials in addition to their regular straight-time hourly rates:

Mid shift – 30 cents per hour

Night shift – 40 cents per hour

The Union's proposal (Section 11.05 – **SHIFT DIFFERENTIAL**):

Employees shall receive the following shift differentials in addition to their regular straight-time hourly rates. Shift differential pay shall be included with the employee's regular straight-time hourly rate of pay for the purposes of overtime and fringe benefits.

Shift starts between 1600 and 1900	30 cents per hour
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Shift starts between 1901 and 0530	40 cents per hour
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Union's Position

The Union is of the view that its offer clearly defines that a shift differential is paid for "overtime and fringe benefits" and specifies the shift starting time for shift differential (unlike the City's "Mid shift" and "Night shift") along the lines of other local law enforcement agencies (Cedar Rapids, Iowa City, Coralville and Johnson County).

City's Position

The City maintains that its proposal simply memorializes current practice in the Police Department and that North Liberty Police Officers understand the meaning of both "Mid shift" and "Night shift."

Analysis

The parties obviously agree on the appropriate shift differential amounts. The phrase "Shift differential pay shall be included with the employee's regular straight-time hourly rate of pay for the purposes of overtime and fringe benefits" used in Union Section 11.05 is similar to language found in the Johnson County Sheriff's contract ("Shift differential shall be included in the calculation of the employee's overtime rate and paid leaves.").

Three of the comparables selected by the Arbitrator include specific shift differential language in their agreements and use starting and ending times for the shifts rather than general references to "Mid shift" and "Night shift" of the type used in the City's proposed language – Iowa City (3-11 and 11-7), Coralville (3:00 P.M. – 11:00 P.M. and 11:00 P.M. – 7:00 A.M.) and Johnson County (2 p.m. – 9:59 p.m. and 10 p.m. – 5:59 a.m.). The phrases "Mid shift" and "Night shift" are not defined in the City's proposal nor was testimony offered at the interest arbitration hearing defining those phrases. The comparables support the Union's offer more so than the City's offer. As a result, the Union's offer is the most reasonable of the two offers on the shift differential impasse item.

Wages

The Union's Section 11.02 - **WAGE RATES** references Exhibit A which lays out regular straight-time wage rates for the Police Officer job classification over an eight-year step wage schedule. Investigators receive .50 per hour in addition to their hourly rate. Step movement occurs "upon completion of the required length of service based on the date of the employee's original date of hire" and is "automatic." The Union places the current North Liberty Police Officers on the proposed wage schedule. It also proposes the following Section 11.04 – **PAY PERIOD AND PAY DAY**:

Paychecks will be issued once each month by the fifth day of the month for hours worked during the previous month. In the event pay day is a Saturday, Sunday, or holiday, paychecks shall be issued on the last weekday prior.

The City's offer on the wages impasse item is as follows:

11.01 – **WAGE RATES**

Starting July 1, 2011, all wages identified in Exhibit A shall increase by two (2) percent across the board. Step movement will be based upon the employee's annual evaluation and performance. Step movement, if any, will be at the discretion of the chief of police. Step movement of the salary schedule will be effective upon the start of the fiscal year.

Probationary officers who are non-certified will be classified in pay range 15.

Upon graduation from the Iowa Law Enforcement Academy and at the start of the next pay period, non-certified officers will automatically move to police officer 1 classification (range 16).

Upon completion of one year of service as a police officer 1 classification and at the start of the next pay period, officers will move to police officer 2 classification (range 18).

Probationary officers who are certified and have at least four (4) years of experience in law enforcement will be classified in pay range 18.

11.03 – **PAY PERIOD AND PAY DAY**

Employees are paid on a monthly basis and receive their checks on the first Friday of the month or the 5th day of the month, whichever date comes earlier. If a pay day falls on a holiday, payment shall be made on the preceding regular workday.

Each work year will encompass twelve (12) pay periods per year. When necessary, adjustments will be made to the pay schedule so that no employee is paid for more than 12 pay periods in a given year.

Union's Position

The Union emphasizes that North Liberty Police Officers organized because of wage payment inconsistencies driven by a consultant-designed 16-step per pay grade compensation system. Although the City Council adopted this compensation system, and intended "to provide an annual cost-of-living raise in addition to the 2.5% step increase each year," the City in 2009 "froze the steps and just did a 2% COLA." North Liberty Police Officers have not received a pay increase (the parties started negotiations in 2010) since the 2% wage increase in 2009. The Union points out that its offer "abandons that consultant recommendation and replaces it with a pay structure similar to other law enforcement agencies." Its wage schedule will improve North Liberty Police Officers' comparability with area police and sheriff's departments. The Union costs its wage schedule out as an 11.8% increase, which it views as a reasonable start-up cost for a first-time contract and which "will still leave North Liberty with the lowest area starting wage for a non-certified officer \$3.00 below other agencies, and for a certified officer in the middle of the comp group." By contrast, the City's offer does not guarantee a step increase (step increases are within the Police Chief's discretion) and is based on an evaluation system that is not part of the parties' 2011-2012 collective bargaining agreement. Officers Regenwether, Seymour and Tygart testified at the interest arbitration hearing about what they consider to be the overly subjective nature of the City's evaluation process. The Union adds that it is "proposing to create a wage structure that is comparable in design, function and wage rates to other law enforcement agencies." Lastly, the Union maintains that its proposed Section 11.04 language "covers the 5th of the month falling on a Saturday or Sunday as well as a holiday which is necessary to do banking business."

City's Position

The City emphasizes that in 2007 the City Council adopted the recommendations of the Austin Peters Group for a City-wide position classification and compensation study which includes both cost of living and merit step increases. Employees are placed (based on the Police Officer and Investigator job classifications) on a 16-step (a - p) wage schedule. The City points out that the Union's proposal "seeks to have a significantly different compensation plan than the rest of the employees" working for the City of North Liberty.

The City's offer starts with a wage schedule reflective of a 2% increase "delayed" from FY 2011, coupled with a 2% across-the-board increase of its Exhibit A wage rates for FY 2012. In addition, North Liberty Police Officers may receive merit step increases (at the start of the fiscal year) based on their annual evaluation and job performance. Annual performance reviews were recently completed for all North Liberty employees. The City Council's budget includes a 2% cost of living increase for City employees plus "the standard merit increase if the employee meets the performance requirements." Part-time officers are listed on the City's proposed wage schedule as certified officers. In its exhibits, the City has placed employees in this bargaining unit on different steps of its wage schedule.

Wage increases for North Liberty Police Officers under the City's offer range from 4.04% to 6.24% (two Police Officers were given longevity credit under the City's compensation system) and costs out at 6.01%. Assuming all North Liberty Police Officers earn the merit step

increases, the total cost of the City's wage offer would be 15.66%. Three of its proposed comparables (Cedar Falls, Waverly and Washington) include step movement based on employee job performance. According to the City, North Liberty Police Officers "have the best of both worlds" under its offer – "a negotiated wage plus an opportunity to earn additional money based on merit." Comparable wage rate settlements for FY 12 range from 1% to 3.25%. The City's wage offer likewise exceeds the applicable consumer price index figures (1.6% CPI-U and 1.9% CPI-M).

The City objects to the Union's offer on the wages impasse item because it builds in an automatic step increase (.94 per year) every contract year – "without bargaining" – which "conflicts with the City's current payment compensation structure."

Analysis

The parties' disagreement on this impasse item does not turn on their Section 11.03 – **PAY PERIOD AND PAY DAY** proposals. Instead, they disagree on the structure of their proposed wage schedules, whether there should be a built-in automatic step increase in the schedule and the role the City-wide compensation system implemented in 2007 should play in establishing wage rates for the Police Department bargaining unit.

Both the Union and City have a shared interest in fairly-compensated Police Officers. North Liberty Police Officers did not receive a wage increase in 2010; other City employees received a 2010 2% cost-of-living wage increase. Neither party has proposed longevity pay in their final offers.

The Union maintains that North Liberty Police Officers organized in response to the City Council's decision in 2009 to freeze the performance-based step increase. It also points out that two Police Officers have recently left the City's employ for better paying positions with the University of Iowa's Public Safety Department.

North Liberty Police Officers have been evaluated under the City's compensation program for the past four years. Under the City's offer, a satisfactory performance evaluation would provide North Liberty officers with an additional .50 per hour (or a 2.30% increase plus the "delayed" 2% wage increase) for the 2011-2012 contract year. In the last four years, based on a review of the City's exhibits, most North Liberty Police Officers have received satisfactory performance evaluations.

None of the comparables selected by the Arbitrator have contract provisions that establish performance-based step movement of the type included in the City's wage offer. The same is true of the Union's proposed comparables. By its own count, only three of the City's proposed comparables (none of which are in the Iowa City-Cedar Rapids corridor) base step movement on employee performance evaluations/job performance.

A 16-step wage schedule (the City's proposal) is not consistent with the comparables selected by the Arbitrator. Iowa City, Hiawatha, Coralville and Johnson County have either five

or six step wage schedules. Marion has a 10-step wage schedule. Mount Vernon does not have steps on its wage schedule.

Iowa Code §20.22(9) requires that the Arbitrator make “[c]omparisons of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the areas and the classifications involved.” Applicable comparisons for the North Liberty Police Department under this factor are, as reflected in the parties’ exhibits, other law enforcement agencies. The Union’s proposed wage schedule and step movement are more in line with the comparables than is the City’s proposed wage schedule and step movement. Taken as a whole, the Union’s offer on the wages impasse item is the most reasonable.

Award

For the reasons set forth above, the Arbitrator hereby selects the following final offers on the 13 impasse items at issue in this case:

Seniority:	Union Offer
Transfer Procedures:	City Offer
Staff Reduction Procedures:	Union Offer
Hours:	City Offer
Overtime Compensation:	Union Offer
Leaves of Absence:	City Offer
Holidays:	City Offer
Vacations:	Union Offer
Insurance:	Union Offer
In-Service Training:	Union Offer
Job Classifications:	City Offer
Shift Differential:	Union Offer
Wages:	Union Offer


Lon Moeller, Arbitrator

Dated at Iowa City, Iowa this
23rd day of March, 2011

CERTIFICATE OF SERVICE

I certify that on the 23rd day of March, 2011, I served the foregoing Award of Arbitrator upon each of the parties by mailing a copy to them at their respective addresses as shown below:

Joe Rasmussen
Public Professional and Maintenance Employees
P.O. Box 219
Solon, Iowa 52333

Gary L. Ray
Ray and Associates, Inc.
Executive Plaza Building
4403 First Avenue SE
Suite 407
Cedar Rapids, Iowa 52402

Wilford H. Stone
Lynch Dallas, P.C.
526 Second Avenue SE
P.O. Box 2457
Cedar Rapids, Iowa 52406

I further certify that on the 23rd day of March, 2011, I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319.



Lon Moeller, Arbitrator